

**STATE FINANCE COMMITTEE  
STATE OF WASHINGTON**

**AGREEMENT  
FOR  
FISCAL AGENCY SERVICES**

**February 1, 2007**

**Michael J. Murphy  
State Treasurer  
Chairman, State Finance Committee**

**STATE OF WASHINGTON  
STATE FINANCE COMMITTEE**

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## **ATTACHMENTS**

**EXHIBIT A – SCOPE OF SERVICES**

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**STATE OF WASHINGTON  
STATE FINANCE COMMITTEE  
P.O. BOX 40200  
OLYMPIA, WASHINGTON 98504-0200**

**AGREEMENT  
FOR  
FISCAL AGENCY SERVICES**

**TERMS AND CONDITIONS**

**1. INTRODUCTION**

This Agreement is entered into by and between the State Finance Committee, as agent of the state of Washington, hereinafter referred to as the "State," and The Bank of New York, hereinafter referred to as the "Fiscal Agent".

WHEREAS the state of Washington, acting by and through the State Finance Committee of the state of Washington, issued a Request for Proposal ("RFP"), dated May 3, 2006, for the purpose of obtaining proposals for fiscal agency services; and

WHEREAS The Bank of New York is the successful bidder;

The State, acting by and through the State Finance Committee, hereby awards this Agreement for Fiscal Agency Services to The Bank of New York, subject to and in accordance with the terms set forth herein. This Agreement consists of the *Terms and Conditions*, *Exhibit A – Scope of Services*, *Exhibit B – Schedule of Fees*, and any subsequently adopted amendments which by this reference are incorporated herein.

**2. DEFINITIONS**

**2.1 DEFINITIONS**

Definitions as used throughout this Agreement shall have the meanings set forth below:

**2.1.1** "Agreement" means this Agreement between the Fiscal Agent and the State, dated February 1, 2007.

**2.1.2** "Bond Master" means the system, or any successor system, that The Bank of New York uses to track bonds.

**2.1.3** "Bonds" means any agreement which may or may not be represented by a physical instrument, including bonds, notes, anticipation notes, warrants, or certificates of participation ("COPs"), that evidences an Obligation of the State or Local Government or a fund thereof, where the State or Local Government agrees to pay a specified amount of money, with or without interest, at a designated time or times to either registered owners or bearers.

- 2.1.4** “Co-Fiscal Agent” is Wells Fargo Bank Northwest, N.A., the sub-contractor Fiscal Agent located in the state of Washington.
- 2.1.5** “Due Care” means the degree of care and skill demonstrated by fiduciaries acting in like capacity.
- 2.1.6** “Exhibit A” means the Scope of Services.
- 2.1.7** “Exhibit B” means the Fiscal Agent’s Schedule of Fees for all services provided under this Agreement.
- 2.1.8** “Fiscal Agency Services” may also be referred to as “Services,” and shall be inclusive of all services performed by the Fiscal Agency pursuant to the Terms and Conditions of this Agreement and the Scope of Services.
- 2.1.9** “Fiscal Agent” is The Bank of New York appointed pursuant to Chapter 43.80 of the Revised Code of Washington, which has entered into this Fiscal Agency Agreement with the state of Washington. It shall also include any subcontractor retained by the Fiscal Agent as permitted under the terms of this Agreement. The Fiscal Agent shall provide the agency services outlined within the Fiscal Agency Agreement including but not limited to registrar, authenticating agent, transfer agent, custodian, paying agent, tender agent or any combination of these agencies.
- 2.1.10** “Fiscal Agent’s Account Manager” shall mean an employee of the Fiscal Agent who is permanently assigned as the primary contact person with whom the State Contract Administrator shall work for the duration of this Agreement.
- 2.1.11** “Local Government” means any county, city, town, special purpose district, political subdivision, municipal corporation, public authority or agency, or quasi-municipal corporation of this state, including any public corporation created by such an entity, when opting to use the State’s selected Fiscal Agents.
- 2.1.12** “Obligation” means an agreement that evidences an indebtedness of the State or a Local Government, and includes, but is not limited to, Bonds, conditional sales contracts, lease obligations, and promissory notes.
- 2.1.13** “Obligor” means the State or Local Government issuing the Bonds or Obligations.
- 2.1.14** “RCW” shall mean the Revised Code of Washington.
- 2.1.15** “Resolution” means resolution, ordinance, trust indenture, or other legislative action by an Obligor.
- 2.1.16** “RFP” shall mean the state of Washington, State Finance Committee, Request For Proposal for Fiscal Agency Services, dated May 3, 2006.
- 2.1.17** “State” shall mean the state of Washington, acting through the State Finance Committee or designee. “State” shall also include, where the context so provides, agencies of the State, and public corporations and authorities created by the State.

- 2.1.18** “State Contract Administrator” means the State Treasurer, or Office of the State Treasurer, as the designated administrator of this Agreement.
- 2.1.19** “State Contracting Officer” means the Deputy State Treasurer for Debt Management, Office of the State Treasurer.
- 2.1.20** “Subcontractor” means a qualified institution not in the employment of the Fiscal Agent, who is performing all or part of those Services under this Agreement under a separate contract with the Fiscal Agent. The term “subcontractor” means subcontractor(s) of any tier.
- 2.1.21** “Website” means the internet accessible webpage(s) maintained by the Fiscal Agent for the benefit of all participating Obligor(s) under this contract in accordance with the Scope of Service set forth in Exhibit A.
- 2.1.22** “Working Balances” shall mean all interest and principal received by the Fiscal Agent prior to their due dates and all uncashed bondholder checks. This includes all balances held by the Fiscal Agent as of the date received until actually drawn down after bondholder checks are presented to the Fiscal Agent for payment, balances attributable to un-presented Bonds, collected funds held including the “float” earnings resulting from uncashed registered and bearer bond interest checks on funds held in Fiscal Agent’s accounts, amounts returned by any depository as a result of wire payment, and any earnings resulting from payment of any depository or bondholder in clearinghouse funds. The Working Balances shall be held in a legally permitted investment(s) to generate earnings for Obligor(s).

### **3. GENERAL PROVISIONS**

#### **3.1 MERGER**

This Agreement which includes these Terms and Conditions, and all attachments, exhibits and amendments thereto, constitutes the entire agreement between the Fiscal Agent and the State and no other statements or representations, written or oral, shall be deemed a part thereof.

#### **3.2 AMENDMENTS**

This Agreement may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties. All amendments, addenda, and orders signed during the life of this Agreement shall be governed by this Agreement. The parties further agree, that additional Services, appropriate to the scope of this Agreement, may be added to this Agreement by an instrument in writing and only with the written consent of both parties. Such writing shall include a specific description of the additional Services, pricing and additional terms and conditions as relevant. The additional Services shall be available under the same terms and conditions established herein except as specifically amended between the parties.

### **3.3 NOTICE**

Any notice or demand which, under this Agreement or applicable law, must or may be given by the Fiscal Agent, or the State, shall be in writing, properly addressed and, as an alternative to personal delivery, made by the most expeditious means available, with regard given to the time sensitivity of notice or demand being made.

to the Fiscal Agent:  
The Bank of New York  
Corporate Trust Division  
Attention: Michael C Hieb  
Fiscal Agent Unit  
101 Barclay Street, 21 W  
New York, NY 10286

to the State:  
Office of the State Treasurer  
State of Washington  
Attention: Allan Martin  
Legislative Building, 2<sup>nd</sup> floor, Room 230  
P.O. Box 40200  
Olympia, WA 98504-0200

Any such notice or demand may be transmitted via facsimile, provided that written notice as provided above is simultaneously given. For purposes of facsimile transmissions, the parties shall use the following numbers:

Office of the State Treasurer: (360) 902-9045  
Fiscal Agent: (212) 815-3455

### **3.4 PERSONAL LIABILITY**

It is agreed by and between the parties hereto that in no event shall any official, officer, employee or agent of the State be in any way personally liable or responsible for any covenant or agreement herein contained whether expressed or implied, nor for any statement or representation made herein or in any connection with this Agreement.

### **3.5 HOLD HARMLESS AND INDEMNIFICATION**

**3.5.1** The Fiscal Agent, and its Subcontractors, shall be financially responsible for any direct money damages suffered by the Obligor which are caused by the negligence, fraud, or failure to exercise Due Care in the Fiscal Agent's, or its Subcontractors' performance of its duties under this Agreement.

**3.5.2** Each party to this Agreement agrees to indemnify and hold harmless the other party, to the extent authorized by law, from all losses (excluding attorney's fees and expenses) which relate to or result from lawsuits brought by non-parties to this Agreement from activities covered by this Agreement from:

**3.5.2.1** A failure by the indemnifying party or its subsidiaries, affiliates, agents, subcontractors, representatives or employees to comply with any applicable federal, state or local law, rule or regulation;

**3.5.2.2** A negligent act or omission or the breach of this Agreement (as defined in Section 5.2.3) by the indemnifying party, its subsidiaries, affiliates, agents, subcontractors, representatives or employees; or a failure to exercise Due Care.

**3.5.2.3** Fraudulent or intentional misconduct by the indemnifying party or its agents, subcontractors, representatives or employees.

**3.5.2.4** Nothing in this section shall be construed to mean either party is prevented from commencing a legal action against the other.

**3.5.3** Notwithstanding any other document or provision in this agreement to the contrary, the above indemnity by the Fiscal Agent to the Obligor shall be limited to direct money damages and shall relate only to the Fiscal Agent's, or its Subcontractors', actions or omissions which constitute negligence, fraud, or failure to exercise Due Care.

### **3.6 CONFLICT AND SEVERABILITY**

**3.6.1.** In the event of conflict between contract documents and applicable laws, codes, ordinances or regulations, the most stringent or legally binding requirement shall govern and be considered a part of this Agreement to afford the Obligor maximum benefits.

**3.6.2** Any provision of the document found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the document.

### **3.7 NONDISCRIMINATION**

During the performance of this Agreement, the Fiscal Agent, its subcontractors, agents, and employees shall comply with all federal and State nondiscrimination laws. In the event of noncompliance or refusal to comply with any nondiscrimination law, regulation or policy, this Agreement may be rescinded, canceled, or terminated in whole or part and the Fiscal Agent may be declared ineligible for further fiscal agency contracts with the State of Washington. The Fiscal Agent shall, however, be given a reasonable opportunity to cure noncompliance.

### **3.8 GIFTS AND GRATUITIES**

In accordance with Chapter 42.52 RCW, Ethics in Public Service Act, it is unlawful for any person to accept, directly or indirectly, any compensation, gratuity, or reward in connection with this Agreement from any person beneficially interested therein.

### **3.9 RIGHTS AND REMEDIES**

In the event of any claim for default or breach of contract, no provision in this Agreement shall be construed, expressly or by implication, as a waiver by the State of any right to insist upon the strict performance of any term or condition of the Agreement or to exercise or delay the exercise of any right or remedy provided in the Agreement or by law, or as the acceptance of (or payment for) services, or to release the Fiscal Agent from any responsibilities or obligations imposed by this Agreement or by law. Acceptance by the State of unsatisfactory performance with or without objection or reservation shall neither waive the right to claim damage for breach nor constitute a waiver of requirements for satisfactory performance of any obligation remaining to be performed by the Fiscal Agent.



### **3.10 GOVERNING LAW**

This Agreement shall be governed in all respects by, and construed in accordance with, the law and statutes of the state of Washington. The venue of any action hereunder shall be exclusively in the Superior Court for Thurston County, Washington.

### **3.11 ASSIGNMENT**

Except as otherwise provided in this Agreement, the Fiscal Agent shall not assign its obligations under this Agreement without the prior written consent of the State Contract Administrator. The Fiscal Agent shall be responsible to ensure that all requirements of the Agreement shall be communicated to any and all subcontractors.

### **3.12 SUBCONTRACTING**

Consistent with all other terms of this Agreement and the Services described in Exhibit A, the Fiscal Agent may Subcontract for its performance of all or any part of its duties and obligations under this Agreement. The Fiscal Agent shall enter into such Subcontract only after receiving prior and specific written authorization from the State Contract Administrator. In no event shall the existence of a Subcontract operate to release or reduce the liability of the Fiscal Agent for any breach in the performance of Fiscal Agent's duties under this Agreement. The Fiscal Agent further agrees to hold the State of Washington, and all its Obligors, harmless from acts or omissions of Fiscal Agent's subcontractors and subcontractor's agents and employees.

### **3.13 INDEPENDENT CAPACITY**

The parties intend that an independent contractor relationship will be created by this Agreement. The Fiscal Agent and his or her employees performing under this Agreement are not employees of the State. The Fiscal Agent will not hold himself/herself out as nor claim to be an officer or employee of the state of Washington by reason hereof, nor will the Fiscal Agent make any claim of right, privilege or benefit which would accrue to such employee under law. Conduct and control of the work will be solely with the Fiscal Agent.

## **4. FISCAL AGENCY SERVICES**

### **4.1 SERVICE SPECIFICATIONS**

The Fiscal Agency agrees to provide paying agent, registrar, transfer agent, exchange agent, tender agent, and other related securities processing services, as further described in Exhibit A, under the terms of this Agreement.

## **5. AGREEMENT TERM AND TERMINATION**

### **5.1 TERM OF AGREEMENT AND SURVIVORSHIP OF TERMS**

The initial term of this Agreement shall be for four years unless otherwise terminated in accordance with this Agreement. The initial term shall commence on February 1, 2007 and end on January 31, 2011. Upon mutual agreement, as evidenced by a formally executed Amendment to this Agreement, this term may be renewed for additional periods each not to exceed four years.

## 5.2 TERMINATION AND REMEDIES

- 5.2.1** Termination for Convenience: The State or the Fiscal Agent may terminate this contract, in whole or in part, at any time and for any reason by giving 120 calendar days' written termination notice to the other party.
- 5.2.2** Termination for Reduction in Funding or Withdrawal of Authority: In the event that either funding from State or local government is withdrawn, reduced, or limited, or the authority of the State to perform any of its duties is withdrawn, reduced, or limited in any way after the effective date of this Agreement and prior to its normal completion, the State may terminate this Agreement, in whole or in part, at any time by giving 60 calendar days' written termination notice to the Fiscal Agent.
- 5.2.3** Termination for Breach: The State shall be entitled, by written or verbal notice, to cancel this contract in its entirety or in part, for breach of any of the terms herein, and to retain all other rights against the Fiscal Agent by reason of the Fiscal Agent's breach as provided by law.

A "Breach" shall mean one or more of the following events: (1) the Fiscal Agent fails to perform the services by the time and date required; (2) the Fiscal Agent breaches any warranty, or fails to perform or comply with any term or agreement in the contract; (3) the Fiscal Agent fails to exercise Due Care as to any aspect of this Agreement, (4) the Fiscal Agent makes any general assignment for the benefit of creditors; (5) the Fiscal Agent becomes insolvent or in an unsound financial condition so as to endanger performance hereunder; (6) the Fiscal Agent becomes the subject of any proceeding under any law relating to bankruptcy, insolvency or reorganization or relief from debtors; and (7) any receiver, trustee or similar official is appointed for the Fiscal Agent or any of the Fiscal Agent's property.

If it is subsequently found that the Fiscal Agent was not in breach, the rights and obligations of the parties shall be the same as if a notice of termination had been issued pursuant to section 5.2.1

The State Contracting Officer shall issue a written notice of breach providing a period not to exceed thirty (30) calendar days in which the Fiscal Agent shall have an opportunity to cure. Time allowed for cure shall not diminish or eliminate the Fiscal Agent's liability for damages.

If the breach remains, after the Fiscal Agent has been provided the opportunity to cure, the State may do one or more of the following:

- 5.2.3.1** Exercise any remedy provided by law;
- 5.2.3.2** Terminate this contract and any related contracts or portions thereof, by written or verbal notice;
- 5.2.3.3** Seek damages.
- 5.2.4** Termination by Mutual Agreement: The State and the Fiscal Agent may terminate this contract in whole or in part, at any time, by mutual agreement.
- 5.2.5** Termination Procedure: Upon termination of this contract the State, in addition to any other rights provided in this contract, may require the Fiscal Agent to deliver to the State

any property specifically produced or acquired for the performance of such part of this contract as has been terminated.

The State shall pay to the Fiscal Agent the agreed upon price, if separately stated, for completed work and services accepted by the State, and the amount agreed upon by the Fiscal Agent for (a) completed work and services for which no separate price is stated, (b) partially completed work and services, (c) other property or services which are accepted by the State, and (d) the protection and preservation of property; unless the termination is for default, in which case the State shall determine the extent of the liability of the Fiscal Agent. The State may withhold from any amounts due to the Fiscal Agent such sum as the State determines to be necessary to protect the State against potential loss or liability.

The rights and remedies of the State provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

- 5.2.6** Termination for Merger or Acquisition: Substitution of another organization to act as Fiscal Agent under this Agreement may occur in the event of a merger or acquisition, provided the State's Contracting Officer is given written notice by the Fiscal Agent, not less than sixty (60) calendar days prior to the effective date of such merger or acquisition. In this event, the successor Fiscal Agent shall provide an automatic continuation of all terms of this Agreement, provided the successor Fiscal Agent can meet all required terms of the Agreement. However, the State reserves the right to terminate the Agreement in the event a successor Fiscal Agent is substituted.

### **5.3 FORCE MAJEURE**

- 5.3.1** Definition: Neither party shall be liable to the other or deemed in default under this contract if and to the extent that such party's performance of this contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics, or other similar occurrences.
- 5.3.2** Notification: If either party is delayed by force majeure, said party shall provide reasonable notice to the other party that there will be delay or non-delivery of reports or services. The notification shall provide evidence of the force majeure to the satisfaction of the other party. Such delay shall cease as soon as practicable and written notification of same shall be provided. The time of completion shall be extended for a period equal to the time that the results or effects of such delay prevented the delayed party from performing in accordance with this contract.
- 5.3.3** Rights Reserved: The State reserves the right to cancel the contract and/or purchase services from the best available source during the time of force majeure, and the Fiscal Agent shall have no recourse against the State.

### **5.4 CONFLICT OF INTEREST**

The Fiscal Agent warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this contract.

## **6. CONTRACT ADMINISTRATION**

### **6.1 INCORPORATED DOCUMENTS**

This Agreement shall consist of the Terms and Conditions as set forth herein, and the following documents, which are incorporated herein by reference:

**6.1.1** Exhibit A – Scope of Services.

**6.1.2** Exhibit B – Schedule of Fees.

### **6.2 ORDER OF PRECEDENCE**

**6.2.1** The headings used herein are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions.

**6.2.2** If any provision of this Agreement shall be deemed to be in conflict with any statute or rule of law, such provisions shall be deemed modified to conform to said statute or rule of law. In the event of any inconsistency in this Agreement, the inconsistency shall be resolved in the order of precedence stated below:

**6.2.2.1** Applicable Federal and State Statutes and Regulations.

**6.2.2.2** The Terms and Conditions of this Agreement.

**6.2.2.3** Exhibit A – Scope of Services.

**6.2.2.4** Exhibit B – Schedule of Fees.

### **6.3 ENTIRE AGREEMENT**

This document, including all schedules, addenda and subsequently issued amendments or assignments, comprises the entire agreement between the State and the Fiscal Agent and shall be governed by the laws of the state of Washington.

### **6.4 LIMITATION OF STATE'S AUTHORITY**

Only the State Contracting Officer, or delegate by writing, shall have the express, implied, or apparent authority to alter, amend, modify, assign or waive any clause or condition of this Agreement. Furthermore, any alteration, amendment, assignment, modification, or waiver of any clause or condition of this Agreement is not effective or binding until made in writing and signed by the State and the Fiscal Agent unless otherwise provided herein.

### **6.5 STATE CONTRACT ADMINISTRATOR**

The State shall appoint an individual who will be the State Contract Administrator for this Agreement and will provide oversight of the activities conducted hereunder. The State Contract Administrator will manage this Agreement on behalf of the State, and will be the principal point of contact for the Fiscal Agent concerning the Fiscal Agent's performance hereunder. The State shall notify the Fiscal Agent, in writing, when there is a change in staffing and a new State Contract Administrator is assigned to this Agreement.

## **6.6 FISCAL AGENT'S ACCOUNT MANAGER**

The Fiscal Agent shall appoint an individual who will be the Fiscal Agent's Account Manager for the State account. The Fiscal Agent's Account Manager will be the principal point of contact for the State concerning the Fiscal Agent's performance hereunder. The Fiscal Agent's Account Manager will also serve as the focal point for business matters, support coordination, and administrative activities. The Fiscal Agent shall notify the State, in writing, if a new Fiscal Agent's Account Manager is assigned.

## **6.7 PAYMENT**

Obligors shall pay the Fiscal Agent in accordance with the schedule set forth in Exhibit B of this Agreement. The Fiscal Agent shall bill Obligors annually for administrative services. Fees for transactional services shall be billed in arrears.

Except as otherwise provided herein, such payments shall be due and payable within thirty (30) days after performance of such services or after receipt of properly prepared and submitted invoices, whichever is later.

## **6.8 TAXES**

It is mutually agreed and understood that all payments accrued on account of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the Fiscal Agent's staff shall be the sole liability of the Fiscal Agent.

## **7. FISCAL AGENT RESPONSIBILITIES**

### **7.1 RESPONSIBILITY OF FISCAL AGENT TO ACT WITH DUE CARE**

The Fiscal Agent shall exercise Due Care in performing its services hereunder.

### **7.2 PURCHASE AND SALE OF STATE BONDS, NOTES OR COPS**

The Fiscal Agent shall not purchase or sell any State bonds, notes or COPS during the term of this Agreement until underwriting accounts are closed or the bonds, notes or COPS are freed from syndicate pricing restrictions, whichever occurs first.

### **7.3 CONFIDENTIALITY OF STATE RECORDS**

**7.3.1** The Fiscal Agent acknowledges that material and information which has or will come into its possession or knowledge in connection with this Agreement, or its performance, may consist of confidential and proprietary data, the disclosure of which to, or use by, third parties could be damaging.

**7.3.2** The Fiscal Agent, therefore, agrees to hold all such material and information in strictest confidence, not to make use thereof other than for the performance of this Agreement, to release it only to authorized employees requiring such information, and not to release, sell or disclose it to any other party.

**7.3.3** Access to information concerning such information shall not be granted except as authorized by law or State or Local Government rule.

**7.3.4** Notwithstanding anything apparently to the contrary in the preceding provisions of this Section, the Fiscal Agent may release the material and information described in this Section to its internal and external auditors (whether employees of the Fiscal Agent or others) for official use and may also release it pursuant to a subpoena or other order issued by a court of competent jurisdiction. The Fiscal Agent shall promptly notify the State of any such subpoena or order upon its receipt.

### **7.4 REGISTRATION WITH THE DEPARTMENT OF REVENUE**

The Fiscal Agent shall complete registration with the Department of Revenue, General Administration Building, Olympia, Washington 98504, and be responsible for payment of all taxes due on payments made under this Agreement.

### **7.5 LICENSING AND ACCREDITATION STANDARDS**

The Fiscal Agent shall comply with all applicable local, state, and federal licensing requirements and standards necessary in the performance of this Agreement.

## **7.6 WORKERS' COMPENSATION INSURANCE COVERAGE**

The Fiscal Agent shall provide or purchase applicable workers' compensation insurance coverage prior to performing work under this contract. The State will not be responsible for payment of industrial insurance premiums for the Fiscal Agent, or any subcontractor or employee of the Fiscal Agent, which might arise under the workers' compensation insurance laws during performance of duties and services under this contract. Should the Fiscal Agent fail to secure workers' compensation insurance coverage or fail to pay premiums on behalf of employees, the State may deduct the amount of premiums owing from the amounts payable to the Fiscal Agent under this contract and transmit the same to the appropriate workers' compensation insurance fund.

## **7.7 ADVERTISING**

The Fiscal Agent shall not advertise or publish information concerning this contract in any form or media without prior written consent from the State.

## **7.8 AUDITING**

The Fiscal Agent shall permit representatives of the State Treasurer, an auditor selected by the State, and/or the Auditor of the state of Washington or their authorized assistant to examine the records of the Fiscal Agent relating to the services rendered under this Agreement. If the Fiscal Agent has contracted with a subcontractor(s), the Fiscal Agent shall require its subcontractor(s) to provide similar access to the designated State officials or their representatives.

Any audits required by this section which do not necessitate the compilation of records in addition to those which are otherwise required by other sections of this Agreement may be conducted without notice. Any audits required by this section which require the compilation of records in addition to those which are otherwise required by this Agreement may be conducted upon 10 days' written notice from the State to the Fiscal Agent.

The provisions of this section shall remain in effect for eighteen (18) months after the expiration, or sooner termination, of this Agreement. Records of State transactions must be kept for a period of no less than six (6) years after the final redemption date of the Bonds. If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

## **7.9 OWNERSHIP OF DATABASE**

The State and its political subdivisions shall own the database used to perform the fiscal agent functions of this contract, regardless of the software used to manage the data or the media upon which it is stored or used. The database is currently contained in a "BondMaster" format. With the mutual consent of the State, the Fiscal Agent may convert the database to other software. The Fiscal Agent shall be responsible for the safekeeping and accurate maintenance of the database, and shall provide copies to the State, or its agents or contractors, as authorized by the State. The Fiscal Agent is authorized to use and copy the database, and to keep copies of the database at the termination or conclusion of this Agreement.

## **7.10 RISK OF LOSS**

Pursuant to RCW 43.80.150, the Fiscal Agent shall bear the risk of loss of funds remitted to the Fiscal Agent by the Obligors.

## **7.11 WEBSITE**

The Fiscal Agent shall establish and maintain an interactive website for use by all participating Obligors, which will serve as the primary reporting system. The website shall enable the participating obligors to access, at minimum, maturity bill statements (invoices for principal and interest), receipt and disbursement of funds pertaining to principal and interest payments (cash activity and balances); and projected principal, interest, call premium and paydowns (debt service schedules). The site must permit the user to view, print and export the requested information. Electronic documents shall be archived on-line for a three-year period.

## **7.12 TERMINATION-RELATED OBLIGATIONS ANTECEDENT TO DATE OF TERMINATION**

120 days prior to the expiration of the initial four year term of this agreement, and 120 days prior to the expiration of any extension to this Agreement, or upon written notice of termination in accordance with this Agreement, the Fiscal Agent shall take all available measures to facilitate and ensure an orderly and efficient transition to any successor Fiscal Agent designated by the State and Fiscal Agent shall at all times provide cooperation and coordination with the State and such successor Fiscal Agent(s) to ensure the uninterrupted provision of Services the State and its Obligors.



## 8. CONTRACT EXECUTION

### 8.1 COUNTERPARTS

This Agreement is to be executed in duplicate originals and each duplicate shall be deemed an original copy of the Agreement signed by each party, for all purposes.

### 8.2 SIGNATURE BLOCKS

In Witness Whereof the parties hereto, having read this Agreement For Fiscal Agency Services in its entirety, including all attachments hereto, do agree in each and every particular and certify as to having authorization to contract on behalf of the party represented.

APPROVED  
State of Washington,  
State Finance Committee

APPROVED

\_\_\_\_\_  
Michael J. Murphy

\_\_\_\_\_  
**Chairman, State Finance Committee**  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

APPROVED AS TO FORM  
State Of Washington,  
Office of the Attorney General

\_\_\_\_\_  
Andrew Scott

\_\_\_\_\_  
**Assistant Attorney General**  
Title

\_\_\_\_\_  
Date

## **EXHIBIT A SCOPE OF SERVICES**

### **1. FISCAL AGENCY SERVICES**

#### **1.1 Paying Agent**

The Fiscal Agent shall provide timely payment of principal and interest to bondholders on behalf of the Obligors. The Fiscal Agent shall pay registered Bonds immediately upon presentment on the payment date provided moneys payable are actually received by the Fiscal Agent by the payment date. The Fiscal Agent shall remit payments by check, wire transfer, or Automated ClearingHouse (ACH) direct credit to a bondholder's bank account as requested by the bondholder. If payments are made by check, the Fiscal Agent shall mail checks in time to be received by bondholders on the payment date.

The Fiscal Agent shall pay bearer Bonds and coupons, in accordance with their terms, immediately upon presentment on or after the payment date on behalf of Obligors, provided moneys payable by Obligors are received by the Fiscal Agent by the payment date.

The Fiscal Agent shall process payments for book-entry issues with the Depository Trust Company (DTC) through Fed wires.

A penalty will be charged to the Obligor, at the current Fed Funds overnight rate as printed in the Wall Street Journal, for funds not available on the payment date. If funds are not received for a period of more than one day, the penalty will be calculated at an average rate. Penalties on late payments are payable within ten days of written notice delivered to the Obligor.

#### **1.2 Local Paying Agent**

The Fiscal Agent shall provide for payment services through a Co-Fiscal Agent with a branch network located throughout the state of Washington. The Co-Fiscal Agent, Wells Fargo Bank Northwest, N.A., shall pay bearer bonds and coupons, and principal on registered Bonds redeemed through a call or at maturity upon presentation at any branch within the state.

#### **1.3 Registrar**

The Fiscal Agent shall maintain accurate records of bondholders of registered securities, including, but not limited to, social security numbers, size of holdings, and addresses. The Fiscal Agent shall maintain records of payees of principal and interest payment on unregistered Bonds. For book-entry-only securities, the Fiscal Agent shall register global certificates in the nominee name of the depository.

#### **1.4 Transfer Agent**

The Fiscal Agent shall perform all necessary functions and meet all legal requirements, including Securities Exchange Commission ("SEC") turnaround requirements. The Fiscal Agent shall process the registration of transfers of Bonds and coupons, cancel all such securities transferred, prepare and authenticate securities to be issued on transfer, and update individual registration records of bondholders.

Bonds will be transferred and new certificates issued in transfer, in accordance with the related authorizing resolution, and upon the surrender of the old certificates in form deemed by the Fiscal Agent to be properly endorsed for transfer and accompanied by such documents as the Fiscal Agent may deem necessary to evidence the authority of the person making the transfer. In the case of small estates, as determined by the Obligor, where no administration is contemplated, the Fiscal Agent may, under a surety company bond of indemnity acceptable to it and without further approval of the Obligor, transfer Bonds registered in the name of a decedent. The Fiscal Agent reserves the right to refuse to transfer Bonds until it is satisfied that the endorsement on the certificate is valid and genuine, and for that purpose it may require a guaranty of signature.

The Fiscal Agent also reserves the right to refuse to transfer Bonds until it is satisfied that the requested transfer is legally authorized and it shall incur no liability for the refusal in good faith to make transfers which it, in its judgment, deems improper or unauthorized. The Fiscal Agent may, in effecting transfers, rely upon applicable provisions of the Uniform Commercial Code, which, in the opinion of its counsel and counsel to the Obligor, protects it and the Obligor in not requiring complete documentation.

Upon completion of the transfer, the Fiscal Agent shall send new and old certificates to the Registrar for verification and authentication.

#### **1.5 Exchange Agent**

Upon request from any bondholder, the Fiscal Agent shall exchange securities of an issue for other securities of the same issue in accordance with the authorizing resolution or indenture, including the conversion of bearer securities to fully registered securities, or the reverse. The Fiscal Agent will maintain bearer held alive bonds in its vaults and precise records of these transactions on its BondMaster system.

#### **1.6 Tender Agent**

At the request of the Obligor, serve as agent for variable rate, commercial paper ("CP"), auction rate securities, and other securities where investors require a depository for the "Puttable Securities" to be received and processed. Work with the remarketing/auction/CP agent, using a liquidity facility, if any, as a back up, in reissuing replacement securities at the new rate/term.

#### **1.7 Destruction**

At the request of the Obligor, the Fiscal Agent shall serve as the Obligor's agent for the destruction of Bonds in accordance with SEC Rule 17Ad-6 and 7 and all applicable Federal and State laws, including RCW 43.80.130. The Fiscal Agent shall maintain all canceled and paid securities on bank premises in a secured environment for one year before disposition. Upon reaching the approved destruction date, the Fiscal Agent shall cancel securities via cremation or mechanical shredder in a vault under control of two authorized bank employees. Destruction certificates, giving full descriptive reference to the securities destroyed, shall be provided to any parties requesting copies.

#### **1.8 Lost, Stolen or Destroyed Securities**

Once a certificate is declared lost, stolen or destroyed, the Fiscal Agent will immediately place a stop on the BondMaster system and send replacement affidavit forms to the bondholder. The bondholder will be required to buy a bond of indemnity at a cost to be paid directly to the surety writer. Upon receipt of the replacement papers from the bondholder, the Fiscal Agent will issue a replacement certificate within five days. If a certificate is issued and not delivered, the bondholder will have up to six months to declare non-receipt of the certificate without incurring a charge for its replacement.

## **1.9 Unclaimed Property**

The Fiscal Agent shall be recognized as a fiduciary agent for the purposes of Chapter 63.29 RCW (Uniform Unclaimed Property Act) and specifically RCW 63.29.120(1). The Fiscal Agent shall hold any funds remitted to it for redemption of coupons, registered interest checks, and Bonds in accordance with the requirements of the related authorizing resolution and/or trust indenture, if any. For one year after the appropriate redemption date (tracked by individual serial maturity), the Fiscal Agent shall retain unpaid balances as part of the overall investment balance total.

Upon the written request of an individual Obligor, the Fiscal Agent shall transfer to any individual Obligor such unpaid balances and any relevant records identifying the obligation and the registered owner, if known, on the first business day of the thirteenth month after the date due for payment or redemption (RCW 43.80.160).

If no written request has been received from an Obligor, report and remit any such unpaid balances remaining unredeemed and in the possession of the Fiscal Agent for three years after the said funds have become payable or distributable to the State Department of Revenue. Obligors are entitled to three years of float earnings.

Funds received by the Fiscal Agent for interest payments or redemption of Bonds shall be held by the Fiscal Agent for such payment or redemption without any obligation of an Obligor or the Fiscal Agent to pay interest thereon to the holder from the due date to the date of presentment.

Subsequent to such payment of unpaid balances to the State Department of Revenue or Obligors, as applicable, the Fiscal Agent shall have the authority to reject presentment of any unpaid coupons, Bonds or checks relative to unpaid balances that have been paid to the State Department of Revenue or Obligors, and payment for said items shall be the sole responsibility of the Obligor or the State, as applicable. In the event the Fiscal Agent shall pay coupons, Bonds or checks relative to unpaid balances that have been returned to the State Department of Revenue or an Obligor, the Fiscal Agent shall immediately notify the Obligor or the Office of the State Treasurer, as applicable, and request reimbursement of the amount paid.

Chapter 63.29 RCW shall govern the responsibilities of the Fiscal Agent with respect to abandoned property except as expressly provided to the contrary in this Agreement, as amended from time to time.

The Fiscal Agent shall provide to the State on or before January 31 of each year a report setting forth the following: (i) balances representing unredeemed bonds, coupons or registered interest checks forwarded to an Obligor during the previous calendar year, and (ii) balances representing unredeemed bonds, coupons or registered interest checks forwarded to the State Department of Revenue during the previous calendar year. Such report shall include any relevant records identifying the obligation and the registered owner, if known.

## **1.10 Dissemination Agent**

For purposes of compliance with SEC Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), the Fiscal Agent shall provide timely notice of Bond calls or redemptions, defeasances, and payment defaults to each nationally recognized municipal securities information repository ("NRMSIR") or to the Municipal Securities Rulemaking Board ("MSRB"). The Fiscal Agent shall discuss potential principal and interest payment delinquencies with an Obligor and Bond Counsel before providing notice to each NRMSIR or to the MSRB.

When requested by any Obligor, the Fiscal Agent shall provide notices of any other material events under the Rule to each NRMSIR or to the MSRB. The Fiscal Agent will not be required to review, comment on or endorse the accuracy of the form of any notice, the adequacy of the description of any material event or the sufficiency of any information provided by an Obligor.

#### **1.11 Notices / Communications**

The Fiscal Agent shall provide notices and communications to bondholders, rating agencies, NRMSIRs, MSRB, bond insurers, securities depositories, escrow agents, and other information services upon request of any participating Obligor.

#### **1.12 Records / Audits**

The Fiscal Agent will maintain appropriate records in connection with the services provided. The State or its representatives, and Obligors shall have reasonable access to such records for auditing purposes during the contract period, and for six full years from the date of the final payment to ensure compliance with the terms and conditions of this Agreement. The Fiscal Agent must maintain a detailed audit trail that enables all Bonds and coupons to be traced from issuance through transfer, payment, redemption and, where appropriate, to a destruction certificate.

The Fiscal Agent will periodically microfilm books, documents and records no longer deemed needed for current purposes and bond certificates which have been canceled in transfer or in exchange and destroy the original documents, if such destruction is permitted under Paragraph 1.7 of this Exhibit.

The Fiscal Agent shall have an annual independent audit conducted for purposes of expressing an opinion on its financial statements and provide such audited financial statements to the State Finance Committee ("Committee") annually. The Fiscal Agent shall also have an annual independent service organization audit conducted for purposes of examining controls related to the services provided in a fiscal agent capacity and provide such report to the Committee and the Washington State Auditor's Office annually.

#### **1.13 Dedicated Website**

The Fiscal Agent will establish and maintain a dedicated website that will serve as the primary reporting system to Obligors for the delivery of and access to securities processing information. The website shall enable the State and local obligors to access, at minimum, maturity bill statements (invoices for principal and interest), receipt and disbursement of funds pertaining to principal and interest payments (cash activity and balances); and projected principal, interest, call premium and paydowns (debt service schedules) as specified below:

- (A) At least 15 calendar days prior to the due date, provide maturity bill schedules for fixed rate obligations.
- (B) Within seven (7) days following a maturity/payment date, update the web-based reporting system to provide State and local obligor access to the following information:
  - Projected principal, interest, call premium and paydowns (debt service schedules) (Note that optional and mandatory calls, including premiums, will not appear on the schedule until the call is actually processed on the Bond Master system.)
- (C) On or before the (25th) of each month.

- Receipt and disbursement of funds pertaining to principal and interest payments. The site will permit the user to view, print and export the requested information. Electronic documents shall be archived on-line for a three-year period.

Upon request from an Obligor, the Fiscal Agent shall provide reports illustrating the aforementioned information in paper form. Such reports shall be made available in alternative formats or means, including hard copy, CD-ROM; disk, direct electronic transmission, and microfiche.

#### **1.14 Reporting**

Maturity Statements for Variable rate Obligations

- Upon the last variable rate reset date and prior to the due date, the Fiscal Agent shall provide a maturity bill schedule to the obligor in written form.

Other Reporting

In addition to the foregoing web-based information [Section 1.13] and the Maturity statements for variable rate obligations [Section 1.14] the Fiscal Agent shall, upon written request, provide to the State and/or local obligors timely status reports (by issue, as appropriate) illustrating:

- Matured and unpaid bond and coupon balances;
- Cancellations;
- Bond and coupon destruction;
- Lists of registered holders by name and address;
- Issuances, exchanges, call payments, transfers and/or replacement of bonds;
- Earnings for undistributed funds;
- Inventory supply of unissued certificates;
- The number of items paid (bond/coupons) for a specified period of time, in the aggregate and/or in the state of Washington alone, including the location of presentments;
- The amount of items paid (bond/coupons) for a specified period of time, in the aggregate and/or in the state of Washington alone, including the location of presentments; and
- Other ad-hoc reports requested from time to time, as available.

Such reports shall be made available in alternative formats or means, including hard copy, CD-ROM; disk, direct electronic transmission, and microfiche.

#### **1.15 Earnings**

Acting as a fiduciary, the Fiscal Agent shall invest all Working Balances held on behalf of Obligors in a legally permitted investment fund(s) to generate earnings for Obligors.

Working Balances are eligible for investment up to the time such balances are actually drawn down. The Fiscal Agent shall invest Working Balances in The Bank of New York's Deposit Reserve and in a Fidelity Government Money Market Fund. The Fiscal Agent shall charge an investment service fee only on balances held in the Deposit Reserve.

The Fiscal Agent shall distribute earnings on Working Balances, minus the applicable investment service fee, quarterly to Obligors in the form of a check or wire, or as amounts offsetting periodic billings to Obligors for services rendered as requested by Obligors.

The Fiscal Agent shall not enter into any agreement relating to the investment of Working Balances without the State's prior approval.

Upon request from an Obligor, the Fiscal Agent shall provide reports illustrating the earnings generated on undistributed funds and checks not drawn down, rate of earnings, and the period in paper form.

#### **1.16 Bondholder / Obligor Relations**

The Fiscal Agent's availability to receive, and responsiveness to, communications from Obligors, persons working with or on behalf of Obligors, and bondholders is an integral part of this Agreement. The Fiscal Agent shall provide personnel, either in-office or remote, to receive communications via telephone and email until 5:00 P.M. Pacific Time each business day. This shall include, at a minimum, the maintenance of toll-free telephone numbers and email addresses for use by Obligors and bondholders. Response turnaround time for inquiries shall not exceed two business days. The Fiscal Agent shall provide appropriate customer service training to its staff members who will participate in telephone communications with Obligors and bondholders.

The Fiscal Agent shall provide regular outreach efforts to Obligors such as attending meetings/conferences of Washington associations of municipal finance professionals, visiting the State and local obligors or other means to encourage mutual understanding and open communications.

Upon request, the Fiscal Agent shall provide training to the State and local obligors on obtaining reports from the Fiscal Agent's website.

#### **1.17 Local Option Capital Asset Lending (LOCAL) Program – Collection Services**

In connection with each Certificate of Participation ("COP") issue involving local government participants, the Fiscal Agent shall establish each local government participant's financing contract individually as a Loan in its BondMaster system. The Fiscal Agent shall collect debt service amounts due to the State from each local government for such loans.

The Fiscal Agent shall directly bill local Lessees participating in the State's LOCAL program by providing a maturity bill to each participant at least 15 calendar days before the required collection date. The collection date shall be the date exactly one calendar month prior to the scheduled debt service payment date for the COP series (currently, collection dates of December 1 and June 1 for January 1 and July 1 debt service payment dates, respectively).

The Fiscal Agent shall remit such collections, adjusted for any agency prepayments, to the State on the collection dates. The State will wire funds for the benefit of the certificate holders to the Fiscal Agent on the scheduled debt service payment dates. Fees for such services shall be billed directly to the State in accordance with *Exhibit B – Fees for Services*.

#### **1.18 Due Diligence**

If requested by the Office of the State Treasurer, the Fiscal Agent shall provide for due diligence and site review(s). The due diligence and site review shall take place at the Fiscal Agent's place of business and may include, but not be limited to:

- (a) corporate trust services;
- (b) Co-Fiscal Agent services;
- (c) operational facilities, including bondholder relations;
- (d) key personnel;

- (e) Working Balances;
- (f) local obligor matters;
- (g) business recovery and continuity plans;
- (h) unclaimed property processing;
- (i) lease purchase services; and
- (j) procedural guides.

The State shall provide the Fiscal Agent a written outline of discussion items at least ten business days prior to the meeting.

#### **1.19 Operations / Systems**

The Fiscal Agent shall maintain and administer an efficient operation/system to process Obligor data. This includes, but is not limited to, all operations from the receipt of each item through data preparation and entry, verifying and reconciling all payments and non-payments, preparing standard monthly reports and other special analysis reports, and filing and retaining shells/coupons. Data entry and file update operations must be completed within a reasonable period after the banking institutions processing center receives bonds or coupons.

The Fiscal Agent shall maintain an automated system capable of processing the workload of the Obligors and adequate safeguards in the system to prevent unauthorized access to Obligor information.

The Fiscal Agent shall maintain and test a business recovery and continuity plan to protect Obligor data and provide alternate operating capability.

The Fiscal Agent shall maintain an internal control structure that ensures all transactions recorded are complete, accurate, properly authorized and supported by adequate documentation, and adequate policies and procedures exist to prevent and detect errors, irregularities, and illegal acts.

The Fiscal Agent shall maintain an independent internal audit function that continuously conducts reviews of policies, procedures and internal controls, and provide internal audit information to the Committee, or its agents, as requested. Examinations must evaluate compliance with the banking institution policies and procedures as well as regulations applicable to the banking institution. Examinations must also address the effectiveness of accounting, operational, administrative and data processing controls associated with the fiscal agent services performed.

#### **1.20 Calls and Redemptions**

Perform all services associated with mandatory and optional calls/redemptions for Bonds that contain call provisions, including “by lot” mandatory redemptions.

#### **1.21 Unissued Certificates**

Maintain inventory, safekeeping, accounting, and proper audit controls over all unissued certificates, and communicate renewal orders to bond counsel and/or obligors.

#### **1.22 Additional Services**

Obligors may issue obligations or participate in financings that include various components or characteristics. Accordingly, the following additional services may be required:

- Custodial services (e.g., holding collateral for the benefit of Bond and COP owners, maintaining insurance and title insurance policies, letters of credit, deeds of trust);



- Letters of Credit – maintain custody of various types of Letter of Credit documents, maintain and service instruments in accordance with their terms and conditions, prepare and execute draws from principal and/or interest on bonds, track maturity and renewal dates, and monitor optional redemptions.
- Liquidity facilities – maintain custody of original documents, monitor provisions relating to liquidity draws and renewal dates, and track the outstanding value of such instruments.
- Executing additional documentation confirming the foregoing services.

### **1.23 Other Services**

Provide other related securities processing services as requested by the State or local obligor in acting in a fiscal agent capacity.

## **2. SERVICE SPECIFICATIONS**

### **2.1 Sale of Bonds [Original Issue (O/I)]**

**2.1.1** When using the services of the Fiscal Agent, the Obligor, or others on behalf of the Obligor, shall, absent extraordinary circumstances, provide, or cause to be provided, to the Fiscal Agent:

- (a) Copies of authorizing bond resolutions, trust indenture, and official statements or limited offering or private placement memoranda, if any, a minimum of three business days prior to closing;
- (b) Copies of specimen certificate forms, a minimum of three business days prior to closing;
- (c) A supply of printed certificates deemed adequate by the Fiscal Agent, in consultation with the printer and underwriter, a minimum of three business days prior to closing;
- (d) A list of registered holders, with addresses and tax identification number (TIN), and principal amounts and denominations of bonds, a minimum of three business days prior to closing;
- (e) Resolution or letter of instructions directing the authentication and delivery of Bonds by the Fiscal Agent, a minimum of three business days prior to closing;
- (f) Final approving opinion of bond counsel as of the date of closing;
- (g) Names and specimen signatures of the authorized officers of the Obligor, if not on file, by date of closing; and
- (h) CUSIP numbers.

**2.1.2** The Fiscal Agent shall, unless otherwise directed by Obligor:

- (a) Imprint the name of bond owners, principal amounts, interest rates, CUSIP numbers and maturity dates on the certificates;
- (b) Authenticate the certificates in accordance with the authorizing bond resolution and deliver the certificates to the underwriter or purchaser or others at the direction of the Obligor;
- (c) Maintain accurate records of all certificates received, issued and delivered;

- (d) Maintain unissued inventory control and safekeeping;
- (e) Maintain listings of registered owners and certificate numbers; and
- (f) Carry out such other specific and reasonable functions of the Fiscal Agent relating to the original sale and issue of Bonds, as set forth in the related authorizing Bond resolutions and/or trust indentures.

## **2.2 Re-registration, Reissue and Transfer**

**2.2.1** The Obligor shall provide to the Fiscal Agent a supply of printed or otherwise prepared certificates deemed adequate by the Fiscal Agent in consultation with the printer and underwriter.

**2.2.2** The Fiscal Agent shall, unless otherwise directed by Obligor:

- (a) Maintain Bond owner accounts including changes of address;
- (b) Maintain records of payees of principal and interest payments on unregistered Bonds;
- (c) Secure W-9 certification of Tax Identification Number (TIN);
- (d) Maintain routine bondholder correspondence, including that necessary for replacement of lost certificates and checks;
- (e) Provide periodic transfer journals, if requested in writing by Obligor;
- (f) Provide for examination of old certificate(s) for proper endorsement and supporting documentation;
- (g) Provide for issuance of new certificate(s) of like rate, amount(s), and maturity and keep current bond owner account records;
- (h) Provide for cancellation of old certificate(s);
- (i) Provide for delivery of new certificate(s); and
- (j) Carry out such other specific functions of the Fiscal Agent set forth in the related authorizing Bond resolutions and/or trust indentures.

## **2.3 Custodial Services**

In connection with certificates of participation issued with respect to obligations of Obligors, the Fiscal Agent shall:

**2.3.1** Provide services in connection with the O/I and maintenance of COPs on the same terms as are provided under this contract for Bonds or other Obligations.

**2.3.2** If requested, act as custodial agent, holding collateral for the benefit of owners of COPs, on the condition that the sole duties of the Fiscal Agent with respect to such collateral shall be limited to (i) Keeping it in safekeeping; (ii) Delivering such collateral to a COP owners' trustee if one should be appointed by the owners in the future (without any liability or responsibility whatsoever for the validity, enforceability or perfection of any

security interests in such collateral); and (iii) Upon notification of a final payment of all COPs secured by such collateral, to execute such releases of the collateral as may be prepared and provided to the Fiscal Agent by the Obligor.

## **2.4 Additional Requirements, Procedures and Conditions**

- 2.4.1 Limit of Authority:** Unless otherwise expressly limited by the resolution of appointment or by subsequent action, the appointment of the Fiscal Agent will be construed to cover the full amount of authorized issuance.
- 2.4.2 Bond Certificates:** Printed or otherwise prepared certificates shall be signed, manually or in facsimile, by authorized officers of the Obligor.
- 2.4.3 Death, Resignation or Removal of Signing Officer:** The Obligor shall file promptly with the Fiscal Agent written notice of any change in the officers authorized to sign Bond certificates, written instructions, or request, together with the specimen signatures of each newly authorized officer. In case any authorized officer of the Obligor who shall have signed blank Bond certificates shall die, resign or be removed prior to the issuance of such certificates, the Fiscal Agent may issue or register such bond certificates as the Bond certificates of the Obligor notwithstanding such death, resignation or removal; and the Obligor shall file promptly with the Fiscal Agent such approval, adoption or ratification as may be required by law, unless otherwise provided in the authorizing resolution.
- 2.4.4 Future Amendments of Bond Resolution:** The Obligor shall file with the Fiscal Agent certified copies of all amendments to authorizing resolutions made on or after the date of this Agreement.
- 2.4.5 Delivery of Bond Certificates by Mail:** The Fiscal Agent will forward Bond certificates in “nonnegotiable” form by first class mail and Bond certificates in “negotiable” form by registered mail or other insured carrier. All such mail deliveries shall be covered, while in transit to the addresses, by insurance arranged for by the Fiscal Agent.
- 2.4.6 Unclaimed and Undelivered Bond Certificates:** Unless otherwise instructed by the Obligor, when a Bond certificate, for any reason, is left in the possession of the Fiscal Agent and has not been claimed by the registered owner or cannot be delivered to the registered owner through usual channels, the Fiscal Agent may after the expiration of three years from the date said certificate was issued, forward said certificate to the Obligor for disposition in accordance with applicable laws.
- 2.4.7 Inspection of Bond Register:** The Fiscal Agent will permit each issuer, or its duly appointed Bond trustee, to inspect and make copies of the bond register books of the Obligor and will provide copies of the same to the Obligor upon its written request. In the case of any request or demand for the inspection of the Bond register books of the Obligor by someone other than the Obligor, the Fiscal Agent shall notify the Obligor and secure instructions prior to permitting or refusing such inspection. The Fiscal Agent reserves the right to exhibit the Bond register books, to any person if it is advised by its counsel that it may be held liable for the failure to exhibit the Bond register books to such person.
- 2.4.8 Bond Call Notification and Redemption:** The Obligor shall give written notice to the Fiscal Agent of its election to redeem Bonds prior to maturity pursuant to any optional or extraordinary redemption permitted by the related authorizing resolution in the manner required by such documents and in sufficient time to enable the Fiscal Agent to select Bond numbers and publish and/or mail such redemption notice as are required by such

documents, but in no case less than five business days prior to the redemption date. If notice of redemption is to be mailed to registered Bond owners by the Fiscal Agent, such notice from the Obligor shall contain all the information necessary to enable the Fiscal Agent to mail the notice of redemption in the manner set forth above, unless such information is contained in documents furnished under Paragraph 2.1.1(a) of this Exhibit. The Obligor shall provide to the Fiscal Agent collected or federal funds on the principal redemption/call date. The Fiscal Agent shall provide Bond call notification to bondholders whenever it has received notice of any bond call from a Bond trustee.

**2.4.9** Relationship with Holders: In acting under this Agreement and the underlying Bond documents, the Fiscal Agent is acting solely as agent of the State and the Obligors and does not assume any obligations or relationship of agency or trust for or with any of the owners or holders of the related Bonds.

**2.4.10** Monitoring of and compliance with Depository Trust Company procedures and requirements: The Fiscal Agent shall monitor DTC operating procedures and requirements with respect to the administration of outstanding Bonds, including but not limited to Bonds with put features. The Fiscal Agent shall, on behalf of Obligors, assure that Obligors comply with these procedures and requirements, to the extent that compliance does not conflict with applicable Bond Resolutions.

## EXHIBIT B SCHEDULE OF FEES

	<u>Unit Price</u>
<b>Acceptance / Set-up Fee</b>	
<u>Fiscal Agent Support / Closing Services:</u>	
Book Entry – Small Issue (\$5 million or less)	Waived
Book Entry – Intermediate Issue (\$5 to \$25 million)	Waived
Book Entry – Large Issue (\$25 million or more)	Waived
Other ( <i>please specify</i> )	N/A
Non-Book Entry – Small Issue (\$5 million or less)	Waived
Non-Book Entry – Intermediate Issue (\$5 to \$25 million)	Waived
Non-Book Entry – Large Issue (\$25 million or more)	Waived
Other ( <i>please specify</i> )	N/A
Original Issuance (per certificate for issuance of 10 or more Certificates)	\$2.50
 <b>Annual Administrative Fee (Per Series)</b>	
<u>Fixed Rate Issues:</u>	
Book Entry	\$300.00
Non-Book Entry – Small Issue (\$5 million or less)	\$170.00
Non-Book Entry – Intermediate Issue (\$5 to \$25 million)	\$170.00
Non-Book Entry – Large Issue (\$25 million or more)	\$170.00
Other ( <i>please specify</i> )	N/A
 <u>Variable Rate Issues:</u>	
VRDOs (per series)	\$1,200.00
Commercial Paper (per series)	\$2,500.00
Other ( <i>please specify</i> )	N/A
 <u>LOCAL Program – Collection Services</u>	
Annual Administrative Fee (per Lease) – <b>Existing Leases:</b>	
Small Lease (Less than \$500 thousand)	\$175.00
Intermediate Lease (\$500 thousand to \$1 million)	\$175.00
Large Lease (More than \$1 million)	\$175.00
 <u>LOCAL Program – Collection Services</u>	
Annual Administrative Fee (per Lease) – <b>New Leases:</b>	
Small Lease (Less than \$500 thousand)	\$175.00
Intermediate Lease (\$500 thousand to \$1 million)	\$175.00
Large Lease (More than \$1 million)	\$175.00

**EXHIBIT B**  
**SCHEDULE OF FEES**  
*(Continued)*

	<b>Unit Price</b>
<b>Registrar/ Transfer Agent:</b>	
Transfers (per certificate, cancellation, reissuance)	Waived
Legal Transfers	Waived
Position Maintenance – Registered Owners by Loan	\$1.75
Other (please specify)	N/A
<b>Variable Rate Services:</b>	
Tender Agent – Book Entry	Waived
Tender Agent – Certificated	Waived
Draw on Credit Facility ( <i>per draw</i> ) – VRDOs	Waived
Draw on Credit Facility ( <i>per draw</i> ) – Commercial Paper	Waived
Commercial Paper – Issuance ( <i>per trade</i> )	Waived
Other (please specify)	Waived
<b>Payment Services:</b>	
Per Bond Paid	\$1.75
Per Coupon Paid	\$0.15
Per Registered Interest Payment (per check)	Waived
Per Registered Interest Payment (ACH)	Waived
Per Registered Interest Payment (wire)	Waived
Other (please specify)	N/A
<b>Investment Service Fee:</b>	
Charge for investing Working Balance	75 Basis Points
<i>Charge is deducted Prior to distribution of earnings to Obligors. <sup>1</sup></i>	
<b>Other Services</b>	
Destruction (per item)	Waived
Bond Call Services (if applicable)	*
Optional Bond Call Services	\$200.00
(if less than 5 business days notice is received)	
Custodial	*
Disclosure (e.g., defeasance notices)	*
Escrow Services – COP Prepayment / Defeasance (per issue / per year)	
Other ( <i>please specify</i> ):	Waived
Service charge for statements generated in paper form and mailed by the Fiscal Agent ( <i>per Obligor / per month</i> )	
Charge for providing special reports as described in Exhibit A Section 1.14	Waived

<sup>1</sup> Please note that this charge does not apply to the balance invested in the Money Market Fund. It will only be applied to working cash balance held in BNY Cash Reserve.

\* Out of Pocket Expenses

**EXHIBIT B**  
**SCHEDULE OF FEES**  
*(Continued)*

	<b>Unit Price</b>
<b>Out-of-Pocket Expenses</b> <i>(please specify)</i>	To be billed at cost